

Message Text

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ACTION OES-06

INFO OCT-01 IO-13 ISO-00 PM-04 FEA-01 ACDA-07 CIAE-00

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CONFIDENTIAL SECTION 1 OF 2 IAEA VIENNA 7591

DEPT PASS IO/SCT

EO 11652: GDS

TAGS: PARM TECH

SUBJECT: SEPTEMBER 3, 1976, MEETING OF NPT EXPORTERS (ZANGGER)

COMMITTEE

REFS: (A) IAEA VIENNA 7310, (B) IAEA VIENNA 6903,

(C) STATE 217773, (D) BERNE 3867

SUMMARY: WITH ALL BUT TWO MEMBERS ATTENDING,
NPT EXPORTERS COMMITTEE, IN TWO-HOUR SESSION,
ADOPTED AGENDA FOR MEETING OCT. 28. SUBSEQUENT
DISCUSSIONS RAISE QUESTION OF WHETHER OCT. 28
MEETING SHOULD BE LIMITED TO SIMPLY HARMONIZING
COMMITTEE'S "TRIGGER LISTS" OF MATERIALS AND
EQUIPMENT WITH THOSE OF NSG, AND AVOID TAKING
DECISION OF EXPANDING SCOPE OF ITS PROCEDURES
AND PRINCIPLES EMBODIED IN MEMORANDA, BEYOND
THOSE DERIVED DIRECTLY FROM NPT ARTICLE III.2.

ACTION REQUESTED: EARLY CONSULTATIONS BY
DEPT WITH CANADA AND LATER WITH OTHER
MEMBERS OF COMMITTEE. END SUMMARY.

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2. COMMITTEE MET FOR TWO HOURS MORNING SEPT. 3, PARTICIPATING MEMBERS WERE AUSTRALIA, AUSTRIA, BELGIUM, CANADA, CZECHOSLOVAKIA, GDR, DENMARK, FINLAND, FRG, IRELAND, JAPAN, NETHERLANDS, NORWAY, POLAND, SWITZERLAND, SWEDEN, UK, US, AND USSR. ABSENT MEMBERS WERE HUNGARY AND LUXEMBOURG. ALTHOUGH NOT A MEMBER OF COMMITTEE, ITALY ALSO WAS REPRESENTED AT MEETING (SEE PARA 13 BELOW).

3. QUESTION WAS RAISED AS TO WHAT CRITERIA DETERMINES MEMBERSHIP IN COMMITTEE. FACTORS CONSIDERED BY CHAIRMAN (ZANGGER) WERE WHETHER OR NOT GOVERNMENT (A) HAD EXCHANGED WITH OTHER MEMBERS CONFIDENTIAL UNEXPURGATED MEMORANDA UNDER COVER OF APPROPRIATE DIPLOMATIC NOTES, AND (B) HAD COMPLIED WITH REQUIREMENTS OF THE MEMORANDA SUCH AS SUBMITTING ANNUAL REPORTS OF EXPORTS. IN ADDITION, SOME GOVERNMENTS MEETING CRITERIA (A) AND (B) ALSO

HAD MADE PUBLIC EXPURGATED MEMORANDA BY LETTERS TO THE IAEA DIRECTOR GENERAL.

4. SECRETARY, PRIOR TO NEXT MEETING, WILL PREPARE A SUMMARY SHEET OF ZANGGER COMMITTEE STATUS, INCLUDING LIST OF MEMBERS AND INDICATING THOSE WHICH HAVE EXCHANGED DIPLOMATIC NOTES, THOSE WHICH HAVE SENT LETTERS TO THE IAEA AND THOSE WHICH HAVE SUBMITTED ANNUAL REPORTS.

5. IN A DISCUSSION OF FUTURE OF COMMITTEE, ITALIAN DEL REQUESTED DOCUMENT BE PREPARED FOR CONSIDERATION AT OCTOBER 28 MEETING WHICH WOULD COMPARE RULES AND PROCEDURES OF LONDON GROUP WITH RULES AND PROCEDURES OF NPT EXPORTERS COMMITTEE. CONCERN WAS EXPRESSED ABOUT CONFIDENTIALITY AND INFORMALITY OF LONDON GROUP'S EFFORTS, AND IT WAS SUGGESTED THAT VARIOUS STATEMENTS WHICH HAVE BEEN MADE IN PUBLIC BY DIFFERENT MEMBER COUNTRIES COULD CONSTITUTE BASIS FOR ANY COMPARISON BETWEEN LONDON GROUP AND NPT EXPORTERS COMMITTEE. UK DEL CONFIDENTIAL

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SLATER THOUGHT UK DEL COULD COLLATE PUBLIC STATEMENTS FROM THOSE MEMBERS (E.G. UK, US AND CANADA) WHICH HAD MADE THEM.

6. CANADIAN DEL, HAYNAL, SUGGESTED THAT SUMMARY OF RECENT NEW FEATURES APPEARING IN IAEA SAFEGUARDDS AGREEMENTS WOULD BE USEFUL FOR NPT EXPORTERS COMMITTEE. HE WAS REFERRING TO FEATURES GOING BEYOND THE NPT,

INFRICR/153, AND NPT EXPORTERS COMMITTEE MEMORANDA, INCLUDING EXPORT OF TECHNOLOGY, DURATION MATTERS SUCH AS CONTAINED IN GOV/1621, PHYSICAL PROTECTION UNDERTAKINGS, ETC. HE SAID GOC WOULD PREPARE SUCH A DOCUMENT AND ALSO A SECOND ONE ON SUGGESTED AMENDMENTS TO THE NPT EXPORTERS COMMITTEE MEMORANDUM WHICH WOULD LOGICALLY ARISE OUT OF THE FIRST AND WOULD COVER NOT ONLY MODIFICATIONS TO THE TRIGGER LIST, BUT ALSO THE PARAGRAPHS ON PROCEDURAL MATTERS. (SEE PARA 16 BELOW)

7. CHAIRMAN SUGGESTED COMMITTEE MEMBERS BE PREPARED TO DISCUSS FOLLOWING QUESTIONS AT MEETING SCHEDULED FOR OCTOBER 28:

(A) "WHAT SHOULD BE STATUS OF THE ZANGGER COMMITTEE VIS-A-VIS THE LONDON CLUB?

(B) "WHAT SHOULD BE OBJECTIVES OF ZANGGER COMMITTEE VIS-A-VIS OBJECTIVES OF LONDON CLUB?

(C) "SHOULD BOTH GROUPS CO-EXIST WITH DIFFERENT

OBJECTIVES".

(D) SHOULD BOTH GROUPS TEND TO MERGE TOWARD ACHIEVING COMMON OBJECTIVES OVER SOME TIMEFRAME?"

8. UK DEL SLATTER REQUESTED THAT THE MINUTES OF THE MEETING NOT REFLECT SUCH SPECIFICITY ABOUT THE "LONDON CLUB" WHEREUPON THE CHAIRMAN SUGGESTED THAT ALL FOUR CONFIDENTIAL

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QUESTIONS COULD BE REDUCED TO ONE SINGEL QUESTION, THEREBY AVOIDING PROBLEM RAISED BY SLATER: "WHAT SHOULD BE FUTURE OF ZANGGER COMMITTEE?"

9. AGENDA FOR THE OCTOBER 28 MEETING WILL BE AS FOLLOWS:

(A) INTRODUCTION
(B) REVIEW OF PAST OPERATIONS
(C) FUTURE ACTIVITIES
-STATUS AND OBJECTIVES OF COMMITTEE
-REVIEW OF TRIGGER LISTS
-REVIEW OF PROCEDURES

10. ZANGGER ANNOUNCED THAT HE WOULD BE AVAILABLE

ONLY FOR ONE DAY MEETING OCT. 28, AND IF DECIDED
AT END OF DAY TO MEET NEXT DAY, COMMITTEE SHOULD
APPOINT ACTING CHAIRMAN.

11. FOLLOWING THE MEETING, SOVIET DEL MISHARIN EXPRESSED
SERIOUS CONCERN TO USDEL THAT ONE DAY (OCT. 28) WOULD
NOT POSSIBLY BE SUFFICIENT TO REACH DECISIONS ON
ALL ITEMS ON AGENDA. SEPARATELY, SWEDISH
DEL LARSON ALSO EXPRESSED CONCERN THAT DETAILS COULD
NOT BE COVERED IN SUCH BRIEF MEETING. IT SEEMS CLEAR
THAT FAIRLY EXTENSIVE CONSULTATIONS WILL HAVE TO
TAKE PLACE PRIOR TO THE OCT. 28 MEETING TO COVER
THE DETAILS AND ARRIVE AT GENERAL AGREEMENT AS TO
OUTCOME.

12. HAYNAL DID NOT RELEASE CANADIAN COMBINED LISTS
DOCUMENT CITED REF (C). AS RESULT OF DISUSSION
WITH ZANGER AND SLATER AND USDEL, HE DECIDED TO
DEFER DISTRIBUTION AND TO REVISE IT IN OTTAWA AND

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ACTION OES-06

INFO OCT-01 IO-13 ISO-00 PM-04 FEA-01 ACDA-07 CIAE-00

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C O N F I D E N T I A L SECTION 2 OF 2 IAEA VIENNA 7591

DISTRIBUTE IT FROM THERE. MISSION STRONGLY
RECOMMENDS DEPARTMENT CONSULT GOC ON THAT
REVISION.

13. THE QUESTION OF ATTENDANCE AT OCT. 28 MEETING

IS ONE WHICH WILL REQUIRE ATTENTION. QUESTION
WAS NOT RPT NOT HANDLED WELL EITHER BY
ZANGGER OR SLATER (WHO INCLUDED ITALY AMONG
THOSE SENT NOTICES OF SEPT. 3 MEETING, BUT
EXCLUDED SOUTH AFRICA, WHICH HAD BEEN LONG-TIME
OBSERVER AND EXPRESSED INTEREST, IN WRITING,
TO CONTINUE IN THAT CAPACITY). ZANGGER,
DESPITE PRIOR ADVICE FROM USDEL, INSISTED DURING
MEETING UPON PUTTING FORWARD VARIOUS FORMULAS
FOR CONSIDERING ITALY AS MEMBER OF COMMITTEE,
NOTWITHSTANDING LACK OF EXCHANGE DIPLOMATIC NOTES
BY ITALY WITH ANY MEMBER AND LACK OF SUBMISSION OF "ANNUAL
RETURNS" ON EXPORTS OF TRIGGER LISTS ITEMS, AS
CALLED FOR IN MEMORANDA. USDEL INSISTED THAT
RECORD OF SEPT. 3 MEETING REFLECT USG VIEW THAT
MEMBERS OF COMMITTEE ARE LIMITED TO THOSE GOVERNMENTS
WHICH HAD EXCHANGED DIPLOMATIC NOTES WITH ALL OTHER
GOVERNMENTS WHICH HAD MADE SIMILAR EXCHANGES. RE
QUESTION OF INVITATIONS TO OCT. 28 MEETING,
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USDEL PROPOSED AND COMMITTEE AGREED THAT ALL SUCH

MEMBERS BE INVITED AND THAT CHAIRMAN, IN CONSULTATION
WITH MEMBERS, CONSIDER INVITATIONS TO OTHER
GOVERNMENTS ON CASE-BY-CASE BASIS, TAKING INTO
ACCOUNT CIRCUMSTANCES SUCH AS INTENTION EXPRESSED
BY GOVERNMENT TO EXCHANGE NOTES IN NEAR FUTURE.
AFTER MEETING, ITALIAN RESREP TOLD USDEL THAT HE
EXPECTED HIS GOVERNMENT TO EXCHANGE NOTES "SOON".

14. AFTER MEETING, USDEL ALSO DISCUSSED WITH
ZANGGER AND SWISS DEL SITUATION RE SWISS NPT
RATIFICATION. UPPER HOUSE HAS ALREADY APPROVED.
COMMITTEE OF LOWER HOUSE HAS SCHEDULED HEARINGS
NOVEMBER 3 AND WILL ISSUE REPORT SHORTLY THEREAFTER.
IF REPORT FAVORABLE, LOWER HOUSE WILL VOTE IN
DECEMBER (SEE REF D). ZANGGER EXPRESSED CONCERN
THAT IF, AT OCTOBER 28 MEETING, COMMITTEE AGREES
TO EXTEND SCOPE OF ITS INTERESTS BEYOND THAT SET FORTH
IN NPT ART. III(2), SWISS CRITICS OF NPT WILL HAVE
OPPORTUNITY TO ARGUE THAT ADHERENCE TO NPT OPENS
DOOR TO UNFORESEEN LIMITATIONS ON EXPORT TRADE.
SUCH ARGUMENT COULD AFFECT ADVERSELY OUTCOME OF
NOV. 3 HEARINGS. HE AGREED THAT, FROM SWISS STANDPOINT,
IT WOULD BE BEST IF OCT. 28 MEETING OF COMMITTEE
AVOIDED REACHING FINAL DECISION AND SCHEDULED LATER
MEETING, AFTER DECEMBER, FOR THAT PURPOSE.

15. AS NOTED ABOVE, USSR DEL HAD ALREADY EXPRESSED SKEPTICISM TO USDEL THAT ONE-DAY FORMAL MEETING OCT. 28 WOULD BE SUFFICIENT TO REACH AGREEMENT AMONG MEMBERS OF COMMITTEE. OTHER DELS FROM NSG MEMBER COUNTRIES HAVE QUESTIONED WHETHER IT WOULD BE POSSIBLE OR DESIRABLE FOR COMMITTEE TO TAKE DECISIONS AT OCT. 28 MEETING ON ITS FUTURE STATUS AND OBJECTIVES PRIOR TO NSG MEETING IN NOVEMBER.

16. IN LIGHT OF FOREGOING CONSIDERATIONS, MISSION SUGGESTS THAT THE ONLY DECISION AT OCT. 28 MEETING CONFIDENTIAL

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SHOULD CONCERN MODIFICATION OF TRIGGER LIST. QUESTIONS OF EXPORT OF TECHNOLOGY, FUTURE STATUS, OBJECTIVES, ETC., GOING BEYOND STRICT NPT REQUIREMENTS COULD BE DISCUSSED, BUT DECISIONS SHOULD BE DEFERRED UNTIL AFTER VARIOUS VIEWS EXPRESSED AT OCT. 28 MEETING ARE CONSIDERED. LATER MEETING, E.G., IN JANUARY, COULD THEN BE SCHEDULED, FOR PURPOSE OF FINAL DECISIONS ON THOSE QUESTIONS.

17. MISSION RECOGNIZES THAT SUBSTANTIAL MAJORITY OF COMMITTEE ARE ALREADY MEMBERS OF NSG. AUSTRIA, AUSTRALIA, NORWAY, DENMARK, FINLAND AND SWITZERLAND ARE NOT, HOWEVER, AND ONE OR MORE COULD OPT OUT IF COMMITTEE EXPANDS ITS SCOPE BEYOND NPT. MOREOVER, COMMITTEE MEMBERSHIP UNLIKE NSG, IS OPEN-ENDED AND ANY OTHER GOVERNMENT WHICH CONSIDERS ITSELF POTENTIAL SUPPLIER IS FREE TO JOIN. ESTABLISHED FORMAL PROCEDURE OF EXCHANGE OF NOTES AND IAEA PUBLICATION IN INFCIRC/209 OF PUBLIC INDIVIDUAL DECLARATIONS RE COMMON EXPORT POLICIES MAY ALSO BE VALUABLE TO RETAIN. (NOTE THAT INFCIRC/209 INCLUDES EXPLICIT REFERENCE TO OBLIGATIONS ARISING FROM NPT ART. III.2) SUBMISSION OF "ANNUAL RETURN", AS CALLED FOR IN COMMITTEE MEMORANDA, MAY ALSO BE VALUABLE FEATURE NOT FOUND IN NSG.

18. THUS, IT MAY BE USEFUL TO RETAIN NPT EXPORTERS COMMITTEE STRUCTURE, EVEN IF ALL MEMBERS ULTIMATELY BECOME MEMBER OF LONDON NSG. IF IT IS FOUND USEFUL TO CONTINUE FUNCTIONING, IT WOULD APPEAR ADVANTAGEOUS FOR COMMITTEE TO LIMIT ITS SCOPE TO NPT ART.III.2, AND MERELY MAINTAIN IDENTIFY OF ITS TRIGGER LIST

WITH THAT OF NSG. COMMITTEE DOES NOT MEET OFTEN,
SEPTEMBER 3 MEETING WAS FIRST IN TWO YEARS.
PRESUMABLY, DATE WILL BE SET DURING OCTOBER 28
(OR LATER) MEETING FOR NEXT REVIEW, TWO YEARS OR
SO HENCE. MEETING OC COMMITTEE, HOWEVER, IS
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SUBJECT TO CALL BY ANY MEMBER WHICH CONSIDERS
ITS COMPETITIVE INTEREST TO BE AFFECTED
BY CONDITIONS RE EXPORTS OF TRIGGER LIST
ITEM BY ANY OTHER COUNTRY, WHETHER MEMBER
OR NOT. (THIS MAY ITSELF BE A USEFUL FEATURE
TO RETAIN.) CONTINUED EXISTTENCE OF NPT
EXPORTERS COMMITTEE IN PARALLEL WITH LONDON NSG
IS THUS UNLIKELY TO INVOLVE SIGNIFICANT BURDEN ON MEMBRs,
EXCEPT FOR SOME WORK BY UK MISSION, WHICH RECEIVES
AND DISTRIBUTES "ANNUAL RETURNS" AND WOULD
COORDINATE EXCHANGE OF NOTES, ETC., BY NEW
MEMBER.

19. IT IS CLEAR THAT CONSULTATIONS PRIOR OCT. 28
WITH OTHER MEMBERS OF COMMITTEE, PARTICULARLY
THOSE WHICH ARE ALSO IN NSG, WILL BE REQUIRED.

WE ASSUME DEPT WILL COORDINATE. LABOWITZ

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